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EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

**Second Year Second Semester Examination in Bachelor of Business Administration  
and Commerce 2010/11 (Proper / Repeat / Re-Repeat) (June, 2013)**

**HRM 2013 Human Resource Management**

**Answer all questions**

**Time: 03 Hours**

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**Q1.** Read the Case study and answer the questions given below.

**Rewarding the Hourly Worker**

Hourly work's people who are paid a set dollar amount for each hour they work's having long been the backbone of the U.S. economy. But times are changing, and with them so also is the lot of the hourly worker. As they can with most employment conditions, organizations are able to take a wider variety of approaches to managing compensation for hourly workers. And nowhere are these differences more apparent than in the contrasting conditions for hourly workers at General Motors and Wal-Mart.

General Motors is an old, traditional industrial company that until recently was the nation's largest employer. And for decades, its hourly workers have been protected by strong labor union like the United Auto Workers (UAW). These unions, in turn, have forged contracts and established working conditions that almost seem archaic in today's economy. Consider, for example, the employment conditions of Tim Philbrick, a forty-two-year-old plant worker and union member at the firm's Fairfax plant near Kansas City who has worked for GM for twenty-three years.

Mr. Philbrick makes almost \$20 an hour in base pay. With a little overtime, his annual earnings top \$60,000. But even then, he is far from the highest-paid factory worker at GM. Skilled-trade workers like electricians and toolmakers make \$2 to \$2.50 an hour more, and with greater overtime opportunities often make \$100,000 or more per year. Mr. Philbrick also gets a no-deductible health insurance policy that allows him to see any doctor he wants. He gets four weeks of vacation per year, plus two week off at Christmas and at least another week off in July. Mr. Philbrick gets two paid twenty-three-minute breaks and a paid thirty-minute lunch break per day. He also has the

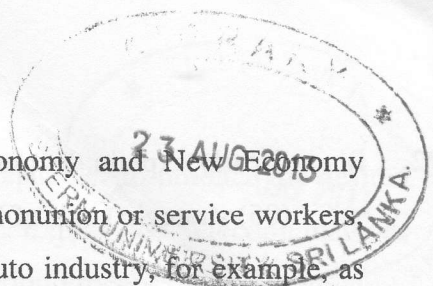
option of retiring after thirty years with full benefits.

GM estimates that, with benefits, its average worker makes more than \$43 an hour. Perhaps not surprisingly, then, the firm is always looking for opportunities to reduce its workforce through attrition and cutbacks, with the goal of replacing production capacity with lower-cost labor abroad. The UAW, on the other hand, of course, is staunchly opposed to further workforce reductions and cutbacks. And long-standing work rules strictly dictate who gets overtime, who can be laid off and myriad other employment condition for Mr. Philbrick and his peers.

But the situation at GM is quite different a lot of ways from conditions at Wal-Mart. Along many different dimensions Wal-Mart is slowly but surely supplanting General Motors as the quintessential U.S. corporation. For example, it is growing rapidly, is becoming more and more ingrained in the American lifestyle, and now employs more people than GM did in its heyday. But the hourly worker at Wal-Mart has a much different experience than the hourly worker at GM. For example, consider Ms. Nancy Handley, a twenty-seven-year-old Wal-Mart employee who oversees the men department at a big store in St. Louis. Jobs like Ms. Handley pay between \$9 and \$11 an hour, or about \$20,000 a year.

About \$100 a month is deducted from Ms. Handley paycheck to help cover the cost of benefits. Her health insurance has a \$250 deductible; she then pays 20 percent of her health-care costs as long as she uses a set of approved physicians. During her typical workday, Ms. Handley gets two fifteen-minute breaks and an hour for lunch, which are unpaid. Some feel that conditions are inadequate.

Ms. Handley doesn't feel mistreated by Wal-Mart. Far from it, she says she is appropriately compensated for what she does. She has received three merit raises in the last seven years and has ample job security. Moreover, if she decides to try for advancement, Wal-Mart seems to offer considerable potential, promoting thousands of hourly workers a year to the ranks of management. And Ms. Handley is clearly not unique in her views Wal-Mart employees routinely reject any and all overtures from labor unions.



In the twenty-first century, the gap between Old Economy and New Economy workers, between unionized manufacturing workers and nonunion or service workers, may be shrinking. Unions are losing their power in the auto industry, for example, as foreign-owned plants within the United States give makers such as Toyota and BMW, which are nonunion, a cost advantage over the Big Three U.S. automakers. U.S. firms are telling the UAW and other unions, We are becoming noncompetitive, and unless you organize the [foreign-owned firms], we are going to have to modify the proposals we make you. At the same time, Wal-Mart is facing lawsuits from employees who clam the retailer forced them to work unpaid overtime, among other charges. At Las Vegas store, the firm faces its first union election. In a world where Wal-Mart employs three times as many workers as GM, it may be inevitable that the labor will organize. On the other hand, will labor unions continue to lose their power to determine working conditions for America's workforce?

**Questions:**

i) Compare and contrast hourly working pay conditions at General Motors and Wal-Mart.

**(Total 06 Marks)**

ii) Describe and differentiate more than the hourly compensation at these two companies which factors are plays in motivating employees.

**(Total 06 Marks)**

iii) Critically evaluate which company plays a good role in maintaining its goodwill and image within employees and society. Discuss by using the information given in the case study.

**(Total 08 Marks)**

iv) If you are a human resource manager at the organisation which you are thinking as an inefficient in managing workers, what are the remedial actions you will carry out to solve the problems.

**(Total 08 Marks)**

**(Total 28 Marks)**



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**Q2. i)** Clearly explain the purpose of Human Resource Management and state any five (05) strategic goals of Human Resource Management.

**(06 Marks)**

**ii)** “The Human Resource Management is useful for managing people at work. Each of its approaches stresses important considerations that can be applied in managing people at work”. Discuss.

**(06 Marks)**

**iii)** Briefly state the strategies that the organisation can develop in shortage and surplus conditions of Human Resource.

**(06 Marks)**

**(Total 18 Marks)**

**Q3. i)** “ Job Evaluation provides the basis for designing an equitable grade and pay structure, grading jobs in the structure and managing job and pay relativities”. Briefly explain any two Non – Analytical Job Evaluation Methods which can be used by an organization.

**(08 Marks)**

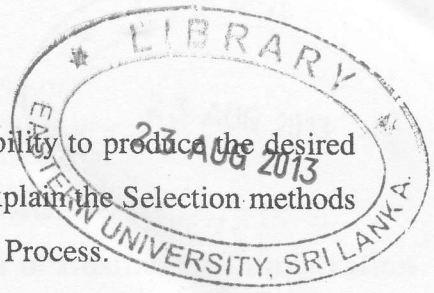
**ii)** “Job Analysis information can be used in various functions of Human Resource Management”. Describe the uses of Job analysis information in various functions of Human Resource Management.

**(06 Marks)**

**iii)** Briefly state the elements of Job Design which are needed to perform a particular job.

**(04 Marks)**

**(Total 18 Marks)**



**Q4. i)** “Determining applicants who have the highest capability to produce the desired job performance occurs in the Selection process”. Explain the Selection methods that can be used by an organization in their Selection Process.

**(08 Marks)**

**ii)** Discuss the Training Cycle that can be used by an organization in their Training Process.

**(06 Marks)**

**iii)** Briefly discuss the importance of induction programme in an organisation with suitable examples.

**(04 Marks)**

**(Total 18 Marks)**

**Q5. i)** Distinguish the following terms:

- i) Job Enlargement and Job Enrichment
- ii) On-the-job training and off-the-job training
- iii) Job Description and Job Specification

**(06Marks)**

**ii)** “PE as the personnel activity by means of which the enterprise determines the extent to which the employee is performing the job effectively”. Clearly explain the administrative purpose of Performance Evaluation of an organisation.

**(06 Marks)**

**iii)** “Promotion means an improvement in pay, position and responsibilities of an employee with in his/her organization”. Discuss the Special problems arising from Promotions in an organisation with suitable examples.

**(06 Marks)**

**(Total 18 Marks)**